

**Actions Affecting Major State Tax, License and Fee Estimates
and Estimates of Net Available State General Fund Revenue**

2002 First Extraordinary Session

Adopted April 30, 2002

Instrument	Description	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
SESSION ACTIONS - REVENUE							
General Sales Tax							
Act 7 1st. Ex. Sess. HB 30	Excludes custom computer software from state sales & use tax. Phases in the exclusion evenly over four years. Authorizes local governments to provide a similar exemption at their discretion. Effective July 1, 2002.		(\$2,500,000)	(\$5,000,000)	(\$7,500,000)	(\$10,000,000)	(\$10,000,000)
Act 3 1st. Ex. Sess. HB 104	Excludes capital expenditures for new research equipment purchased by biotechnology companies from state and local sales & use tax. Eligible firms are identified by NAICS codes 541710, 325412, 325414, 334516, and 339112. Effective for four years beginning July 1, 2002 and expires June 30, 2006.		(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	\$0
Act 5 1st. Ex. Sess. SB 85	Excludes expenditures made in connection with motion pictures or commercials from state sales & use tax. Expenditures must be at least \$250,000 for all projects in a year. Effective July 1, 2002.		(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)	(\$1,500,000)
Acts 71 and 2 1st. Ex. Sess. HBs 44 and 51	These bills dedicate the state's sales tax on room rentals in particular localities to particular purposes within those localities. These bills involve Lafourche Parish (\$90,000) and Concordia Parish (\$5,000). Both effective July 1, 2002.		(\$95,000)	(\$97,700)	(\$100,500)	(\$103,300)	(\$106,300)
Corporate Income and Franchise Tax							
Act 8 1st. Ex. Sess. HB 105	Provides 15% tax credits for costs associated with commercializing technology resulting from research sponsored by LA institutions. Eligible costs include machinery & equipment and rights to the technology. Various restrictions and conditions are provided. Effective July 1, 2002 for tax years beginning on or after January 1, 2003 and 2004. Expires December 31, 2006.		(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)	(\$100,000)
Act 9 1st. Ex. Sess. HB 106	Provides an 8% or 25% tax credit for the state's apportioned share of eligible research expenditures if the taxpayers claims a federal tax credit under 26 U.S.C.A. §41(a). Also provides an 8% tax credit to taxpayers who receive a Small Business Innovation Research Grant from the U.S. Dept. of Commerce, Small Business Admn. These two credits are phased in evenly over four years beginning with expenditures made in calendar year 2003. Expires December 31, 2006.		\$0	(\$2,530,000)	(\$5,061,000)	(\$7,591,000)	(\$10,121,000)

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Act 110 1st. Ex. Sess. HB 166	Expands the Quality Jobs Program to include the Hornets NBA basketball organization. Certain restrictions apply. The program provides ten years of payroll subsidy through refundable tax credits. Effective July 1, 2002.		(\$3,650,000)	(\$3,650,000)	(\$3,650,000)	(\$3,650,000)	(\$3,650,000)
Act 153 1st. Ex. Sess. HB 144	Makes substantial changes to the Quality Jobs Program with the goal of expanding applicability of the program. The program provides ten years of payroll subsidy through refundable tax credits. Effective May 1, 2002. No new applications to the program shall be approved after January 1, 2005.		(\$2,400,000)	(\$9,400,000)	(\$14,100,000)	(\$18,800,000)	(\$23,500,000)
Act 1 1st. Ex. Sess. HB 17	Provides a tax credit to motion picture production companies based on aggregate payroll during a year, with certain restrictions. The credit is 10% if the payroll exceeds \$300,000 and 20% if it exceeds \$1 million. Effective July 1, 2002 and expires June 30, 2006.		(\$550,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)	(\$1,100,000)
Act 6 1st. Ex. Sess. SB 108	Provides a tax credit to motion picture production companies based on the level of investment in state-certified productions, with certain restrictions. The credit is 10% if the level of investment is \$300,000 to \$1 million, and 15% if it exceeds \$1 million. Effective July 1, 2002 and expires January 1, 2007.		(\$650,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)	(\$1,300,000)
Act 38 1st. Ex. Sess. SB 55	Provides for the acceleration of an existing tax credit granted for purchases of qualified recycling equipment. Credit to be realized over the next several years are allowed through a refundable credit prior to July 1, 2002. Thus, the revenue loss associated with the bill is to FY02, and is in the amount of \$2.4 million. The bill applies to Bayou Steel Corp. Effective upon governor's signature.	(\$2,400,000)					
Act 112 1st. Ex. Sess. HB 169	Authorizes five-year tax credit contracts with heritage-based businesses within the 13 parishes of the Atchafalaya Trace Heritage Area Development Zone. Credits allowed are \$750 for the business and \$750 for each new employee. Effective January 1, 2003. No new applications shall be received after December 31, 2006.		\$0	(\$50,000)	(\$150,000)	(\$250,000)	(\$350,000)
Total Adjustments To Major State Tax, License And Fee Estimates		(\$2,400,000)	(\$12,745,000)	(\$26,027,700)	(\$35,861,500)	(\$45,694,300)	(\$51,727,300)

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SESSION ACTIONS - DEDICATIONS							
Tourism Promotion District							
Act 154 1st. Ex. Sess. HB 158	Extends the current \$17.5 million cap on the District's dedication beyond the FY03 period. Prior law reduced the cap to \$16 million beginning in FY04, and this \$1.5 million reduction to the dedications had been built into the official revenue forecast. This bill makes the current dedication level permanent.			\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000
Sports Facility Assistance Fund							
Act 146 1st. Ex. Sess. HB 170	Dedicates the personal income taxes collected from nonresident member athletes of the PGA Tour, Inc. to the Sports Facility Assistance Fund.Effective upon governor's signature.		\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Total Adjustments To Dedications of Major State Tax, License, and Fee Estimates		\$0	\$135,000	\$1,635,000	\$1,635,000	\$1,635,000	\$1,635,000
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		(\$2,400,000)	(\$12,880,000)	(\$27,662,700)	(\$37,496,500)	(\$47,329,300)	(\$53,362,300)
Transfers From Other Funds							
Act 111 1st. Ex. Sess. HB 168	Provides relative to the Exceptional Performance and Gainsharing Incentive Program. Among changes made to the program, the treasurer is directed to transfer a one-time amount of \$3 million from the Incentive Fund to the state general fund in the current year.	\$3,000,000					
TOTAL ADJUSTMENTS TO OFFICIAL NET AVAILABLE STATE GENERAL FUND-DIRECT REVENUE FORECAST		\$600,000	(\$12,880,000)	(\$27,662,700)	(\$37,496,500)	(\$47,329,300)	(\$53,362,300)